

## SIT (Outperform, TP €9.00)

	Market Cap. €172.05m	Price: € 6.88	(Giuseppe Grimaldi +39 02 8829 412)		
	Turnover	Net Profit	PE Adj.	PBV	Yield
2020	321	13	8.9	0.8	5.6
2021E	358	16	10.8	1.1	4.2
2022E	361	18	9.8	1.0	4.4

Source: Mediobanca Securities

**Acquired the NGA product line from Emerson Electric**

**Event** Yesterday SIT announced to have finalized an acquisition signing a binding agreement with the Emerson Electric, for acquiring the product line that makes electronic valves for gas storage water heaters.

**Comment/Financials** The scope of the acquisition includes the product, related patents and production lines, which will be installed at SIT's production facility in Monterrey (Mexico). The transaction is expected to be concluded by the end of 3Q21.

The transaction will allow SIT to enter the market for electronic valves for gas storage water heaters. In the US, this is a significant market (2020 figures showed that electronic valves accounted for 73% of the market), and single-digit growth is expected in the coming years.

**View/Action** The deal has a solid industrial rationale as it strengthens company's portfolio. We believe it is a step in the right strategic direction and it confirms company's external growth ambitions.

Outperform.